

Effective 5/10/2016

63I-5-301 Audit committee -- Powers and duties.

- (1)
 - (a) Each appointing authority may establish an audit committee to monitor the activities of the agency internal audit program.
 - (b) An audit committee may serve more than one state agency internal audit program.
- (2) The appointing authority shall ensure that audit committee members have the expertise to provide effective oversight of and advice about internal audit activities and services.
- (3) If an audit committee has been established, the audit committee shall:
 - (a) appoint, evaluate, and, if necessary, remove the agency internal audit director;
 - (b) prepare and adopt formal policies that define:
 - (i) the purpose of the agency's internal audit program; and
 - (ii) the authority and responsibility of the agency's internal auditors;
 - (c) ensure that policies adopted under Subsection (3)(b):
 - (i) do not place limitations on the scope of the internal audit program's work; and
 - (ii) clarify that an auditor does not have authority or responsibility for an activity that the auditor audits;
 - (d) ensure that:
 - (i) the audit director employs a sufficient number of professional and support staff to implement an effective internal audit program;
 - (ii) compensation, training, job tenure, and advancement of internal auditing staff is based upon job performance;
 - (iii) the audit director and staff collectively possess the knowledge, skills, and experience essential to the practices of the profession and are proficient in applying internal auditing standards, procedures, and techniques;
 - (iv) the internal audit program has staff who are qualified in disciplines necessary to meet the audit responsibilities, including accounting, business management, public administration, human resource management, economics, finance, statistics, electronic data processing, or engineering;
 - (v) internal audit staff are free of operational and management responsibilities that would impair their ability to make independent audits of any aspects of the agency's operations;
 - (vi) the audit director and the internal audit staff have access to all personnel and records, data, and other agency information that the audit director or staff consider necessary to carry out their assigned duties; and
 - (vii) the audit director and internal audit staff have the necessary access to the agency head, agency management, and agency staff;
 - (e) approve internal auditing policies proposed by the agency head or audit director;
 - (f) review and approve the annual internal audit plan, modifications to the internal audit plan, risk assessment, and budget;
 - (g) review internal and external audit reports, follow-up reports, and quality assurance reviews of the internal audit office; and
 - (h) periodically meet with the agency internal audit director to discuss pertinent matters, including whether there are any restrictions on the scope of audits.

Amended by Chapter 195, 2016 General Session